

COLORADO AND WYOMING RAILWAY COMPANY
1000 SW Broadway, Suite 2200
Portland, OR 97205



The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E St. SW
Washington, DC 20423

RECORDATION NO. 27616 FILED

SEP 02 '08

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SURFACE TRANSPORTATION BOARD

RE: Documents for Recordation

Dear Secretary Quinlan:

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a Short Form Security Agreement, a primary document, dated August 14, 2008.

The name and address of the party to the document is as follows:

Pledgor:

Colorado and Wyoming Railway Company
1000 SW Broadway, Suite 2200
Portland, OR 97205
Attention: Robin Gantt
Facsimile No.: (503) 978 4879
Email: ganttr@osm.com

A description of the equipment covered by the document follows:


Included in the property covered by the aforesaid Short Form Security Agreement are all railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned by Colorado and Wyoming Railway Company at the date of said Short Form Security Agreement or thereafter acquired by it or its successors as owners of the railway covered by said Short Form Security Agreement.

A fee of \$41.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to Megan Rathfon, Shearman & Sterling LLP, 525 Market Street, Suite 1500, San Francisco, CA 94105.

A short summary of the document to appear in the index follows: Short Form Security Agreement, entered into by Colorado and Wyoming Railway Company in favor of The Royal Bank of Scotland plc, dated August 14, 2008, and covering, among other things, all railroad cars, locomotives and other rolling stock intended for use related to interstate commerce.

Very truly yours,

COLORADO AND WYOMING RAILWAY COMPANY

By: 
Name: James Declusin
Title: Authorized Signatory

Corporate Form of Acknowledgement

State of Oregon

County of Multnomah, ss: Portland

On this 13th day of August, 2008 before me personally appeared Jim Dedusin.
to me personally known, who being by me duly sworn, says that (s)he is the
President of Euras Inc NA, that the seal affixed to the foregoing
instrument is the corporate seal of said corporation, that said instrument was signed and sealed
on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that
the execution of the foregoing instrument was the free act and deed of said corporation.



Shelly G. Hartzell

Signature of Notary Public

My Commission expires March 7, 2010

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SHORT FORM SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

This SHORT FORM SECURITY AGREEMENT, dated as of August 14, 2008 (as amended, amended and restated, supplemented or otherwise modified from time to time, this "Agreement") made by COLORADO AND WYOMING RAILWAY COMPANY, a Delaware corporation (the "Pledgor"), in favor of THE ROYAL BANK OF SCOTLAND plc, in its capacity as collateral agent pursuant to the Credit Agreement (as hereinafter defined) (in such capacity and together with any successors in such capacity, the "Collateral Agent"). This Agreement is entered into in connection with that certain Term Loan Security Agreement (the "Security Agreement"; unless otherwise defined herein, capitalized terms are used herein as therein defined) dated as of the date hereof among the Pledgor, the Collateral Agent and the other parties thereto.

R E C I T A L S:

A. The Pledgor, the other Loan Parties from time to time party thereto, the Lenders from time to time party thereto, THE ROYAL BANK OF SCOTLAND plc, as Administrative Agent and as Collateral Agent, and the other parties thereto have, in connection with the execution and delivery of this Agreement and the Security Agreement, entered into that certain Term Loan Credit Agreement dated as of the date hereof (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement").

B. The Pledgor has, pursuant to the Credit Agreement, unconditionally guaranteed the Obligations.

C. The Pledgor will receive substantial benefits from the execution, delivery and performance of the obligations under the Credit Agreement and the other Loan Documents and is, therefore, willing to enter into this Agreement.

D. This Agreement is given by the Pledgor in favor of the Collateral Agent for the benefit of the Secured Parties to secure the payment and performance of all of the Obligations.

E. It is a condition to the obligations of the Lenders to make the Term Loans under the Credit Agreement that the Pledgor execute and deliver the applicable Loan Documents, including this Agreement.

A G R E E M E N T:

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgor and the Collateral Agent hereby agree as follows:

Section 1.1: Grant of Security Interest. As collateral security for the payment and performance in full of all the Obligations, the Pledgor hereby pledges and grants to the Collateral Agent for the benefit of the Secured Parties, a lien on and security interest in all of the right, title and interest of the Pledgor in, to and under the following property, wherever located, and whether now existing or hereafter arising or acquired from time to time: all Equipment, including, but not limited to, all railroad

cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned by the Pledgor as of the date hereof or thereafter acquired by it or its successors as owners of the railway covered by the Security Agreement.


Section 1.2: Miscellaneous. Article XI of the Security Agreement is incorporated herein, *mutatis mutandis*, as if a part hereof.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Pledgor has caused this Agreement to be duly executed and delivered by its duly authorized officers as of the date first above written.

PLEDGOR:

COLORADO AND WYOMING RAILWAY
COMPANY

By: 
Name: James Declusin
Title: Director